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DDI #06483-84
15 November 1984

NOTE TO: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM : Deputy Director for Intelligence

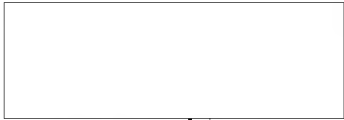
SUBJECT: Directorate of Intelligence Handbook

1. In looking at the attached very slick publications on both the Agency and the Directorate of Intelligence, it occurred to me a couple of months ago that one way we could improve our dialogue with policymakers and, in particular, help them understand what we can do for them would be to provide a sophisticated handbook explaining the nature of the DI and its components and walking them through how to make use of this enormous asset. I asked Helene Roatner to pull together by December (anticipating a number of new policymakers regardless of who was elected) a really slick pamphlet on the Directorate along the lines of the two attachments. She has done this and the draft text is attached. 25X1

Each region and functional area will be a labelled tab.

2. It is my hope that this kind of a pamphlet not only will demonstrate to policymakers in yet another way our strong interest in improving our dialogue with them and in being helpful, but also will in fact be helpful. This is such a vast organization and its structure so complicated to an outsider that knowing just where to plug in is very difficult. It is my hope that this pamphlet will serve a useful purpose with policymakers and I would anticipate delivering it to people at the Deputy Assistant Secretary level and above. If you have any comments or thoughts on the text (which will be supplemented by a number of photographs and graphics) -- or on the concept as a whole -- I would be interested in them. 25X1

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Robert V. Gates

Attachments:
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SUBJECT: Directorate of Intelligence Handbook

DDI/RMGates

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Introduction

Intelligence officers work to support policymakers like you with facts and analysis about a wide variety of subjects on which you must make important national decisions. But because we deal with so many complex and diverse issues, our organizational structure is complicated--and it may be difficult for you to find out what kinds of help you can get from us or where you can go for it. We hope that this brochure will bridge the gap by describing CIA's analytical arm, the Directorate of Intelligence (DI), where you can turn to supplement the resources your own organization already offers.

Our People and Product

The DI is where all the information available to the US Government on foreign affairs comes together, is analyzed, and is turned into reports that address the international interests of policymakers. Our staff of about [redacted] (pie charts showing division of DI effort by geographic area and discipline) works on literally all significant issues worldwide, using data collected by the most sophisticated technical and clandestine means as well as information from the State Department, our attaches, and the vast array of open literature--media, books, broadcasts, and so forth. With this large cadre, massive amount of information, and concentration on supporting the intelligence needs of senior policy officials throughout the US Government, we are in a position to respond quickly to urgent needs or to mount a major research effort on a complex topic of longer term concern.

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In most of our analysis, we try to take a multidisciplinary approach. That is, we deliberately mix persons with almost 50 different analytical specialties--for example, in politics, economics, military affairs, and engineering--to consider major intelligence questions. The goal is to ensure that we have addressed all sides of the issue and to deliver a more complete product.

The DI's production takes many forms (bar graph showing a year's total production broken down into current intel, typescripts, briefings, IAs, RPs, etc). Sometimes a brief memorandum is generated within hours to meet a "short-fuse" request on a specific topic of policy interest (give an example of a policymaker's request, and what we produced); other studies are lengthy and represent months of research. We give oral briefings to a single policymaker or to a more general audience upon request. DI analysts also serve within other government departments, participate with US negotiating teams like those at START and MBFR, and do "on-the-spot" analysis at US embassies. And the DI's vast computer capacity and experience with quantitative methodologies let us manipulate large amounts of data that other Government agencies may be unable to exploit.

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You may be interested in the following specific examples of our publications: (display samples)

-- the President's Daily Brief and the National Intelligence Daily, which report and interpret foreign events and trends of current interest.

-- periodicals like the International Economic and Energy Weekly and the USSR Monthly Review.

-- concise ad hoc reports like those from our crisis task forces, which often operate around-the-clock, or from our 24-hour Operations Center.

-- biographic reports and psychological assessments of foreign leaders and information on other foreign personalities.

-- basic data such as maps and reference aids.

-- research studies on a broad range of topics, some of which are noted in the tabbed sections that follow.

Organization of the DI

The DI is composed of a number of subunits called Offices. Some specialize in the analysis of major countries like the USSR or regions like East Asia. Other Offices concentrate on topics that cross regional boundaries--such as terrorism, technology transfer, political instability, and developments in science and weapons production--or provide vital functions like imagery analysis, biographic intelligence, and reference services. The accompanying chart shows how we are organized. (uncomplicated diagram)

Our Role in the Intelligence Community

DI analysts work with other intelligence analysts in a variety of ways. Articles that appear in the National Intelligence Daily are "coordinated" among working-level analysts in what we call the Intelligence Community--the Executive agencies which have intelligence functions--so that these items reflect the views of the Community's principal members. Briefing teams are often made up of analysts from several agencies, and two or more agencies collaborate on specific papers. A good deal of the research done on our behalf in the private sector is funded in part by other agencies; the various intelligence organizations also collaborate on development of databases.

The DI also works with all Community members in a more formal way through the National Intelligence Council (or NIC), which is part of the staff of the Director of Central Intelligence. The Council's members come from almost all elements of the Intelligence Community, other agencies of the Government, and the private sector. The NIC includes National

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Intelligence Officers (NIOs), who are responsible for guiding and coordinating the Community's production on certain regions or topics (chart), as well as a small staff of analysts.

Among their functions, the NIOs supervise the drafting of National Intelligence Estimates, in-depth looks at key questions which synthesize the views of all Community members (display a few past estimates). DI officers are often principal drafters of these papers. Many estimates are scheduled in advance; some (like those on Soviet defense issues) are done annually. Others are produced rapidly, on an ad hoc basis, in response to urgent needs; they are called Special National Intelligence Estimates (SNIEs). The NIOs also have a special responsibility for "warning"--that is, alerting senior officials to new developments that may pose a particular threat to US interests.

You can request an Intelligence Community assessment on any topic of interest to the policy community by contacting the appropriate NIO. DI analysts can give you a faster response if you need one--but their views represent only the assessment of CIA, not of the Community.

Dialogue with the Policymaker

The DI works first and foremost for the President, the other members of the National Security Council, and the NSC staff. Its services are available, however, to any US official with the appropriate security clearances and a valid "need to know."

Meeting the intelligence requirements of policymakers is a dynamic process because needs change as the situation develops (use example of Iran-Iraq war to illustrate different kinds of product we provide). The DI maintains contacts at all levels of the policymaking community in an effort to ensure that it is devoting attention to the issues and topics that matter most to consumers. We also depend on policymakers to provide their own unique insights (like those on personalities or personal and government negotiating strategies). All this helps our analysts "fine tune" the system to get information we know policymakers need, both through CIA's own collection capabilities and from other intelligence agencies.

The best way for us to make our analysis and research responsive is to maintain a regular dialogue with you, including your reactions--critical as well as favorable--to our assessments and support. Please telephone us at the numbers on the attached insert to share your concerns and needs.

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1. USSR

The Soviet Union will remain for the foreseeable future the most formidable threat to the United States and to American interests globally. The USSR's military plans and programs will continue to challenge the US into the next decade. At the same time, the potential for sudden changes in Soviet policies requiring a US response will remain high.

The primary responsibility for our analytic effort on the Soviet Union is located in the Office of Soviet Analysis, which responds to most of the policymaker's questions on political, economic, and military topics concerning the USSR. That office works closely with photographic interpreters, biographic analysts, weapon specialists, geographers, and science and technology experts located elsewhere in the DI. In all, about 400 people in the DI work on Soviet-related issues, about half on the USSR itself and the rest on military and scientific issues.

These resources provide us with a strong capability to provide analysis in a variety of forms--short memoranda, oral and written briefings, current intelligence items, background papers, and in-depth assessments. Last year, for example, DI specialists on the Soviet Union:

- contributed almost one quarter of the information for the DI's daily publications.

- produced over 700 specially tailored typescript memoranda, analytical assessments, and longer research papers along with more than 600 biographic reports.

- delivered more than 70 briefings to members of the Executive Branch and Congressional committees.

Topics included:

- internal politics, especially leadership issues and the stresses of society, e.g., political succession, the leadership apparatus, policy toward the consumer, and shifts in foreign policy.

- the economy, e.g., its performance, the burden of the defense effort; the military-industrial complex and development and modernization of defense industry; developments in various economic sectors, especially energy and agriculture; and foreign trade policy toward the West and Eastern Europe.

- military and strategic trends, e.g., Soviet penetration of and political and military influence in the Third World (including military equipment deliveries, economic aid, and advisors present); national security policy and relations with the West; foreign covert activities; doctrine, plans, and forces for strategic nuclear war and theater war; and Soviet foreign

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intelligence capabilities and their threat to Western interests.

-- developments in strategic weaponry and science and technology, which are discussed more fully in another tabbed section.

Especially important is our ability to respond on short deadlines to requests from the policy community by producing typescript memoranda tailored to the decisionmaker's individual needs. In the past, for example, we have considered topics like Soviet influence in the Third World, Moscow's attempts to exploit differences between the US and its allies, and East-West technology transfer. We are prepared to produce reliable and timely intelligence for policymakers as a matter of course on questions where sudden shifts in Soviet policy are particularly likely--such as East-West trade, commercial relations with LDCs, and Soviet military and strategic programs.

A special DI staff is also dedicated to providing in-depth intelligence on arms control issues. And experienced DI officers serve with US Government negotiating teams overseas (such as at START and MBFR) to furnish on-the-spot information and policy support.

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2. EUROPE

Policymakers' needs for intelligence about European affairs are numerous and ever-changing, a reflection of the important role of the trans-Atlantic relationship in the conduct of US foreign policy. We are regularly asked to weigh how the interests and policies of West European countries conflict with our own or complement them. In Eastern Europe, the focus is on the gradual reemergence of historical national interests that complicate the political, economic, and military policies of the Soviet Union.

The Office of European Analysis is the center for the DI's effort on Western and Eastern Europe, pulling together many political, economic, and military analysts. Other specialists on the region--photographic interpreters, biographic analysts, and topical experts--work in other places in the DI. In all, about 150 people devote their attention to developments in Europe.

Last year, analysts on Europe provided some 20 percent of the information for the DI's daily intelligence publications. In addition, the DI published about 670 specially tailored typescript memoranda, analytical assessments, and longer research papers on Europe along with 2300 biographic reports. Members of the Executive Branch and Congressional committees received some 450 briefings on the region.

Some of the analyses produced last year covered:

-- Western Europe's stagnating economic situation: support for the London Economic Summit in June, including the issue of protectionism; dimensions of the unemployment situation and implications for growth prospects through the 1980s; Western Europe's debt problems and how the EC is coping with a serious budget crisis and with enlarging its membership.

-- Western Europe's policies on defense cooperation and security issues: issues played out in CDE; responses to Washington's Strategic Defense Initiative; trends in West European defense spending; moves toward defense cooperation by France and West Germany.

-- counterterrorism in Western Europe: policies and capabilities of the UK and Italy; the threat from Armenian terrorists; the possibility of a resurgence of terrorism in Turkey.

-- generational change in Western Europe: attitudes of young voters and potential leaders; how social change is likely to alter political parties in West Germany.

-- relations between Eastern and Western Europe: European government policies after INF deployments began; German nationalism and intra-German relations.

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-- the potential for change in Eastern Europe: roles played by key groups--the use of the military in East Germany to promote regional objectives, the political role of the Yugoslav military, and the secular roles of the church in Poland.

-- the evolution of East Europe's financial crisis and its adjustment efforts: the policies of individual countries, particularly East Germany, Yugoslavia, and Poland; the burden of adjustment on consumption and investment; the impact on growth and balance of payments.

-- East European relations with the USSR: disagreements at the CEMA summit and the politics of intra-German relations.

We tailor our production to suit the needs of policymakers who are themselves experts in the complex substantive issues involving the US and European countries, providing intelligence in forms to serve their needs best: frequently in daily intelligence publications or in quick typescript memoranda, in formal assessments, and as in-depth research papers. Approaches vary from sharp focus on a single country or on longer term, regional perspectives such as British and French strategic force modernization.

DI analysts also participate in intergovernmental groups like those with State and Treasury Department officials which discuss East European financial problems. In addition, the DI supports US participants at the annual Economic Summits, where we provide specially tailored daily intelligence summaries and give substantive briefings directly to Summit participants. (Suggested graphic: photo montage of briefers and covers of papers used at June 1984 London Economic Summit.)

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3. AFRICA

Sub-Saharan Africa has become more important to US decisionmakers because of the financial turmoil, political instability, and meddling by the USSR, Cuba, and Libya in key states there. The downward spiraling trend in most countries will sustain this interest in the near term.

Most of the DI's full-time political, economic, and military analysts working on sub-Saharan Africa are assigned to the Office of African and Latin American Analysis. Others--like photographic interpreters, biographic officers, weapons specialists, and industrial and technological experts--are located elsewhere in the Directorate. A total of about 30 people in the DI work on sub-Saharan Africa.

With these capabilities, we can provide policymakers with timely analyses of fastmoving events in the region; in-depth assessments of particular issues and broader trends; briefing books in support of foreign travel, high-level visits, and ongoing negotiations; and general overviews and background papers.

Last year, for example, in addition to contributing about seven percent of the information for the DI's daily current intelligence publications, analysts covering African issues:

- delivered over 450 briefings to members of the Executive Branch and Congressional committees.

- produced some 200 specially tailored typescript memoranda, analytical assessments, and longer research papers plus about 600 biographic reports.

Issues of importance to US policymakers do not fall neatly within country borders in Africa, where similar problems are common to a number of states. The Directorate's work on the region thus focuses on both country prospects and regional issues, such as:

- South Africa and its role in the region, e.g., dynamics affecting US relations with South Africa; export diversification; South Africa's foreign policymaking process; regional diplomatic negotiations and developments in states along Pretoria's borders.

- political instability, e.g., dissident movements in the Horn of Africa; tribal challenge in Somalia; Ethiopia's struggle against separatists; prospects for the new Nigerian Government; troubled times in Zimbabwe.

- the regional economic situation, e.g., food crises; Nigeria's oil wealth management; southern Africa's transportation network; effects on US economic interests.

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-- foreign involvement, e.g., Soviet and Cuban activities in Angola and Mozambique; Libyan influence in Upper Volta; Israel's evolving role in Africa; the Libyan invasion of Chad; the enduring relationship between France and the continent.

-- in-depth research on warning and instability, e.g., the political and economic viability of a number of countries like Mozambique, Liberia, Nigeria, and the Indian Ocean states.

Our production is keyed to dominant issues and principal dynamics that are likely to condition US policy toward Africa throughout the decade.

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4. LATIN AMERICA

The continuing crisis in Central America, the economic distress in Mexico, depressed conditions throughout the Caribbean, and a significant military buildup in Cuba all assure that Middle America and the Caribbean will receive close policy focus for some time to come. South America--relatively quiet, stable, and prosperous in recent years--also is now in a state of flux as a result of mounting economic strains and political transitions in a number of key countries.

The DI's effort on Latin America is centered in the Office of African and Latin American Analysis, which houses most full-time political, economic, and military analysts working on the region. Photographic interpreters, biographic analysts, weapons specialists, and technical analysts researching this area are located elsewhere in the DI. The DI has expanded its capabilities on Latin America over the past year in order to handle the virtually insatiable appetite for analysis, and now some 100 people work full time on Latin America.

This allows us to provide timely analyses of fastbreaking developments, in-depth assessments of specific issues and broader trends, general overviews and background papers, and briefing books in support of foreign travel, high-level visits, and ongoing negotiations. Last year, for example, in addition to contributing about 15 percent of the information for the DI's daily current intelligence publications, we:

- produced 1050 biographic reports and over 500 specially tailored typescript memoranda, analytical assessments, and longer research papers.

- delivered about 1500 briefings to members of the Executive Branch and Congressional committees.

The Directorate's work on the region focused on both country prospects and regional issues. Specific topics included:

- the crisis in Central America: significant political actors in El Salvador and Nicaragua, implications of insurgent arms resupply; the insurgency in Nicaragua; the refugee dilemma; the issue of death squads; Nicaraguan air defense capabilities.

- the debt crisis and local economies, e.g., South America struggling with debt; economic crisis in Central America; the Mexican middle class; Brazil's efforts to stabilize; impact of radical debt actions in Argentina; the Cartagena debt conference.

- developments in Cuba, like Soviet military deliveries; Cuban relations with Latin America; Havana's military intervention capabilities in Central America; the Cuban factor in Grenada.

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-- political instability and the return to democracy: for example, the opposition movement in Chile; Communist and radical leftist influence in Bolivia, prospects for new governments in Jamaica, Brazil, Ecuador, El Salvador, and Panama; Peru's conventional and counterinsurgency capabilities.

In the coming year, the US will regularly face policy challenges in a large number of countries in the region where it has a significant stake. While current support requirements will continue to drive most of our efforts on Central America, we also plan research on many key countries where political, economic, and social uncertainties offer fertile ground for coups, revolutionary change, and external meddling.

(Suggested graphics: Tables which show the level of Soviet and Cuban military and personnel support to Central American revolutionaries; a graph which shows the growing level of Latin debt, the interest rate burden, or the amount of money that Latin countries have been forced to renegotiate in the last few years; photography showing either Cuban facilities in Central America or some captured weapons detailing Soviet involvement (from State/Defense July 1984 background paper); a map showing some of the standard weapons infiltration routes into Central America.)

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5. NEAR EAST/SOUTH ASIA

The volatile region of the Near East and South Asia, the arena for two major conflicts and the ongoing crisis in Lebanon, continues to be of significant concern to US policymakers. Because of quickly unfolding developments, such as the attacks on US personnel in Beirut, and the vital US economic and strategic interests in Afghanistan and the Persian Gulf, DI production has been heavy and has concentrated on current topics of immediate policy interest.

The DI analytic effort on this area is centered in the Office of Near Eastern and South Asian Analysis (NESA), whose officers who work exclusively on political, military, and economic intelligence in the region. Analysts in the Offices of Central Reference, Strategic and Weapons Research, Global Issues, Soviet Analysis, and Imagery Analysis complement NESA's efforts. They focus on key regional leaders, terrorism, nuclear proliferation, energy, arms transfers, and narcotics trafficking--which are covered in other tabs of this brochure--and Moscow's influence and involvement in the region. Together, over 100 people work on this region.

The DI's production of some 1600 articles on this region for the daily publications last year reflects its importance to US policy. During this same time, analysts also published about 700 formal intelligence assessments and typescript memoranda; 224 articles for NESA's weekly regional publication; and more than 150 articles for other periodicals. Analysts also presented about 2000 oral briefings to members of the executive branch, members of Congress and staff personnel, and representatives of foreign governments. Major topics addressed included:

-- military and strategic trends: developments in the continuing conflicts in Lebanon, Iran-Iraq, and Afghanistan; internal security concerns in the Persian Gulf; developments in Indian-Pakistani relations; military capabilities of the armed forces in Iran and the Persian Gulf states; Iraq's use of chemical weapons; prospects that Iran could close the Persian Gulf; mining in the Red Sea.

-- internal political developments: the prospects for Lebanon; Syrian political infighting; elections in Israel; assessments of the regimes in Israel, Egypt, Saudi Arabia, Morocco, Algeria, Jordan, Kuwait, South Yemen, and Bangladesh; the opposition in Pakistan, Iran, Iraq, and India; prospects for the government and resistance in Afghanistan; communal violence in Sri Lanka.

-- economics: developments and prospects in Israel, Lebanon, Afghanistan, Egypt, Morocco, Saudi Arabia, Kuwait, and India; Arab efforts to curtail trade with Iran; Indian and Iraqi economic ties with the USSR; the effects of reduced oil prices and foreign aid cutbacks in the oil-producing states.

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-- political-social trends: the impact of Islamic "resurgence" on governments of the region; regime responses to Islamic fundamentalist demands; population problems and political stability; a demographic assessment of Lebanon.

-- terrorism: terrorist activities in Lebanon; Libyan and Iranian support of terrorism; Indian support of Tamil insurgents in Sri Lanka.

-- nuclear proliferation: developments in Pakistan's drive to manufacture fissile material; assessments of key nuclear decisionmakers in Pakistan and India; India's preparations of its nuclear test site.

To complement the intelligence support we offer on fast-breaking current topics, we plan to provide policymakers with more assessments of developments that are likely to affect US economic and strategic interests further into the future by producing more prognostic intelligence assessments and basic research papers.

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6. EAST ASIA

Its size, diversity, and economic dynamism make East Asia important to a broad spectrum of US policymakers. Indeed, we believe it will loom even larger in terms of US interests, and an effort to enhance our analytic capabilities in this area is already underway.

The core of our effort is located in the Office of East Asian Analysis, which houses most of the full time political, economic, and military analysts working on the region. They are supported and complemented by photographic interpreters, biographic analysts, weapons specialists, and industrial and technological analysts located elsewhere in the DI. In all, some 100 people in the DI work on East Asia.

These assets allow us to provide timely analyses of fastbreaking developments in Asia, in-depth investigations of specific issues and broad trends, general overviews and background papers as well as briefing books in support of foreign travel, high-level visits, and ongoing negotiations.

Last year, for example, in addition to contributing about 10 percent of the information for the DI's daily intelligence publications, we:

- produced 1200 biographic reports and about 450 specially tailored typescript memorandums, analytical assessments, and longer research papers;
- and delivered over numerous briefings to members of the Executive Branch and Congressional committees.

Topics included:

-- technology, e.g., high technology ceramics in Japan; the fifth generation computer program in Japan; Japan's nuclear fuel cycle; China's efforts to acquire Western military technology; Indonesia's efforts to climb the technology ladder.

-- military and strategic trends, e.g., the deployment of strategic missiles in China; new weapons in the North Korean military; China's policy toward Vietnam--tightening the screws.

-- politics and economics, especially trade and international financial issues, e.g., party reform in China; the implications of a labor victory in New Zealand; a profile of the ruling party in the Philippines; offshore oil exploration in China; the politics and economics of Japan's defense industries; South Korea's economic performance and outlook.

-- terrorism and narcotics trafficking (which are discussed more fully in another tabbed section).

The broad range and quantity of our production is driven by the breadth of US interests in an area as large and diverse as

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East Asia. We realize that the individual policymaker is too busy to review much--let alone most--of our production, and we make a special effort to tailor the distribution of our reports to individual needs. In addition, we respond to specific requests on short deadlines by producing typescript memorandums on any issue within our competence. Many policym-- military and strategic trends, e.g., the deployment of strategic missiles in China; new weapons in the North Korean military; China's policy toward Vietnam--tightening the screws.

-- politics and economics, especially trade and international financial issues, e.g., party reform in China; the implications of a labor victory in New Zealand; a profile of the ruling party in the Philippines; offshore oil exploration in China; the politics and economics of Japan's defense industries; South Korea's economic performance and outlook.

-- terrorism and narcotics trafficking (which are discussed more fully in another tabbed section).

The broad range and quantity of our production is driven by the breadth of US interests in an area as large and diverse as East Asia. We realize that the individual policymaker is too busy to review much--let alone most--of our production, and we make a special effort to tailor the distribution of our reports to individual needs. In addition, we respond to specific requests on short deadlines by producing typescript memorandums on any issue within our competence. Many policymakers find our ability to assess key foreign officials as well as political and security conditions of particular use when preparing to travel in East Asia; we provide this service as a matter of course for the President, Vice President, and other members of the Cabinet. A number of DI officers are also assigned to various East Asian posts, and they are prepared to provide traveling officials with the latest intelligence information available.

(Suggested graphic: highlighted map showing countries in East Asia with box below:

East Asia includes:

- 29 countries.
- 50% of the world's population.)

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7. TERRORISM/POLITICAL INSTABILITY/INSURGENCY

The threat to US interests from terrorism has intensified significantly in recent years as terrorist attacks have become more frequent and have struck at a broader array of civilian and official targets. Terrorist groups have both splintered and multiplied; and subversion, guerrilla warfare, and revolutionary activity in the Third World is challenging the institutions and policies of increasing numbers of countries friendly to the US.

The Office of Global Issues provides a focal point in the DI for examining both the internal and international aspects of terrorism and insurgency. Their work supplements that done in the DI's regional offices on individual countries, and draws on a variety of sensitive sources including imagery.

These analytical resources permit us to provide current coverage of terrorist events and analysis of trends in the formation and development of terrorist groups--their goals, capabilities, international linkages, and bases of support. We can also perform basic and often groundbreaking studies of how political instability can foster terrorism and how insurgent groups combine terrorist and guerrilla tactics. Increased research is in progress on Soviet attempts to exploit discontent and the connection between socioeconomic problems and the growth of political violence. Our development of comprehensive, computerized databases on terrorism and Communist activities is expanding our capabilities.

We place a high priority on providing policymakers with information and analysis that will help them to devise policies to deter and counter terrorism. We focus on: which countries are ripe for serious turmoil, revolution, or insurgency; the significance of social change, internal and external opposition, military attitudes, and regime weaknesses; the prospects for insurgencies now underway; and the methods that can most effectively counter instability and insurgency in specific situations.

-- Every two weeks, we publish the Terrorism Review (which concentrates on current events and trends); and each quarter we produce Indications of Political Instability in Key Countries (which tabulates indicators of instability for 30 countries of particular importance to US interests).

-- Over the last year, DI analysts following these subjects authored almost 1100 articles for the daily intelligence publications; produced over 540 special typescript memoranda, analytical assessments, and longer research reports as well as briefing policymakers in the Executive Branch and Congressional committees.

Topics included:

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-- patterns in global terrorism, particularly state support for international terrorism and Iran's role in spreading Islam and terrorism.

-- rural population control in an insurgency (using Guatemala and the Philippines as case studies to develop 14 points we use to analyze counterinsurgency).

-- research on political instability in key countries like Yugoslavia, particularly warning signs of military coups.

-- Soviet and East European penetration of the Third World, for example: Communist presence in the LDCs; Soviet and Cuban active measures in Latin America (especially Mexico); and Communist military and economic aid to non-Communist LDCs.

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8. STRATEGIC WEAPONS/S & T DEVELOPMENTS

Among the foreign scientific and technological developments that can affect US security, the evolving capabilities of Soviet weapons and space systems remain most important. But a number of other new issues are emerging which require technical research. These include high-technology programs in the West which could affect US commercial or security interests, the technical capabilities of advanced conventional weapons that are becoming available around the world, and the military systems and technologies of China.

To supplement the basic coverage of these topics that DI regional offices provide on individual countries, the Offices of Scientific and Weapons Research, Imagery Analysis, and Global Issues employ highly skilled scientists and engineers as well as a staff of photointerpretation specialists. Their mission is to prevent "technological surprises" from confronting US policymakers and military planners by anticipating scientific advances, and to provide decisionmakers with the information they need to formulate tactics, doctrine, and countermeasures as well as long-term weapons procurement and development programs.

Last year, DI production ranged from some 250 articles for daily intelligence publications and current assessments of significant events, to almost 250 in-depth research papers and typescript memoranda on specific weapons systems or scientific developments. Some examples are:

- the capabilities of Soviet weapons and space systems and the threat they pose to the West, like directed energy weapons, antisatellite weapons systems, command-and-control communications, air defense countermeasures to Stealth technology, and spaceborne nonacoustic antisubmarine warfare sensors.

- Soviet research in the sciences and strategic high technologies--especially those with potential military applications--like electro-optics, microelectronics, electronic warfare, computers and software, genetic engineering, and high-strength materials.

- Western and Third-World high-technology programs that could affect US commercial or security interests, such as Japanese development of supercomputers, the French nuclear fuel reprocessing program, and the potential that additional countries will develop missile delivery systems, for example India and Pakistan.

In all of its analysis, the DI depends on research contracts with leading US firms that have scientific and technical knowledge in these specialties.

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9. INTERNATIONAL ECONOMICS/FINANCE

The ongoing nature of LDC debt problems is having increasing implications for Third World politics and stability, economic development efforts, and US foreign policy. This and other international finance and trade issues demand a pool of specialized economic analysts who can examine developments in a global rather than country-specific context. This effort comes together in the Office of Global Issues, which has access to all-source economic intelligence information that gives the DI unique capabilities to provide effective policy support that complements the in-depth work on individual countries and areas done in the regional offices.

DI economists focus on worldwide monetary issues, the stability of the international financial system and pressures for reform, trade flows and developments affecting multilateral trade negotiations, commodity markets, and development issues in Third World countries. Analysts bring the perspectives of the external community to their work through regular interviews with international businessmen and commercial bank officers; attendance at numerous worldwide conferences on international finance, trade, and economic development; and sponsorship of conferences on international financial techniques.

The Third World debt crisis has greatly increased demands for current support on international financial issues. Analysts have briefed the National Security Council, the President, and the Cabinet on debt issues. Over the past year, policymakers received sustained and timely economic intelligence in the International Economic and Energy Weekly and through some 650 articles in the DI's daily intelligence publications, and about 470 analytical assessments, longer research reports, and specially tailored typescript memoranda.

Topics included:

-- international borrowing and lending: outlook for international debt strategy, LDC external debt trends, the impact of radical debt action on Argentina.

-- international trade: composition of recent export and import declines in key LDCs, exports from newly industrialized countries, how devaluations assist trade improvements, proposals for a new GATT negotiating round, East-West trading patterns.

-- economic development: how LDC export processing zones stimulate Western investments.

-- world commodity markets: prospects for natural rubber, grain, and rice; Soviet 1984 grain crop shortfalls and their effects on the USSR's imports.

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10. INTERNATIONAL SECURITY ISSUES

The DI addresses a variety of security issues in a global as well as a country-specific context. For example:

Foreign availability of advanced technologies and the mechanisms and potential for technology loss to Communist countries remain a major focus. The DI works closely with CIA's clandestine collectors and other government agencies in an effort to stem the flow of critical Western technologies to hostile countries. We are also prepared to help policymakers confront other emerging technology issues like US dependence on foreign sources of technologies and the potential that foreign countries may use their technology to gain political/economic concessions from the US; and prospects for military codevelopment with Japan and NATO countries.

In response to increased interest in strategic narcotics in the policymaking community and in Congress, we have expanded our efforts to apply high-technology collection and analysis techniques to the problems of drug production, trafficking, and international money movement and laundering arising from narcotics activity.

Our work on nuclear proliferation is designed to give the US Government early warning of potential proliferators and to identify key technologies and institutions that are susceptible to US influence. This is particularly important as Third World countries pass important milestones in their nuclear programs, and as sales of unsafeguarded nuclear materials through the nuclear gray market increase.

Production on arms transfers concentrates on the impact of weapons shipments on larger issues of concern to the US Government. We are focusing on the sale of munitions at the subnational level, potentially one of the most dangerous aspects of conventional weapons proliferation, and on Warsaw Pact military transfers to the troubled regions of the Near East, sub-Saharan Africa, and Central America.

The DI's analysts and technical specialists who study these and related problems use a variety of sensitive sources, including imagery, in their work. Last year, these officers gave numerous briefings to policymakers and produced over 550 articles for daily publications, special memoranda, analytical assessments, and research papers. Topics included:

- narcotics control in Pakistan, the international flow of drug money, and corruption in Mexico's drug control programs.

- assessments of foreign research and development of high technology materials, technology issues for the 1980s, Japanese fiber optic developments, West European capability for advanced jet engines.

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-- Sino-Japanese nuclear cooperation, South Africa and the nonproliferation regime, Argentine nuclear policy, and the gray market in nuclear materials.

-- gray arms market scams, prospects for West European arms sales, the shrinking export market for jet combat aircraft, and East European involvement in the international gray arms market.

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11 OTHER CROSS-NATIONAL ISSUES

The United States faces a growing number of foreign industrial competitors like Japan, Western Europe, and selected developing countries in a number of high technology as well as mature industries. Declining US shares of world markets for certain trade-sensitive industries (for example, steel and autos) point up the potentially serious economic implications of this increased foreign competition.

The changing international energy market poses both problems and opportunities for the US and its allies during the remainder of this century. The concentration of oil reserves and critical oil facilities in the Middle East heightens the risk of an energy disruption and increases the importance of alternative supplies and consuming policies to cope with a shortfall. Also, surplus productive capacity outside the Gulf, as well as gas resources, OPEC's expanding role, and electricity trade continue to be high priority issues for policymakers.

The conflicts and strains inherent in growing population pressures and the limitations on available resources in many LDCs are likely to affect the stability of these countries and their economic prospects. Urbanization, refugee movements, food availability on a global basis, and critical regional water supply problems are issues that trouble many policymakers. More traditional concerns such as politically sensitive boundary disputes, transportation questions, and agricultural production--especially in the USSR and Eastern Europe--will continue to require policymaker attention.

The DI's functional specialists on these cross-national issues work closely with its country analysts and imagery specialists. Last year, the Directorate produced over 950 current articles, specially tailored typescript memoranda, maps and charts, analytical assessments and longer research reports; and delivered a number of briefings to members of the Executive Branch and Congressional committees. Topics included:

- competitive factors like implications of foreign accounting practices on assessing industrial capabilities, and trends in Japanese targeting of high-technology industries.

- industrial analysis, such as trends in US dependence on foreign machine tool suppliers, shrinking excess capacity in the world steel market, and competition for commercial space services.

- energy markets: vulnerabilities in the 1980s, growing Soviet opportunities in natural gas markets, political and economic dimensions of the world oil situation, and the changing international coal market.

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-- petroleum resources such as production reserve prospects for China's Daqing oilfield, and Nigeria's threat to OPEC unity.

-- energy security, for example the vulnerability of the West European electric power grid, transport routes in the Caribbean, and the availability of capacity and oil stocks to offset a disruption.

-- agriculture: the effect of drought on Soviet grain prospects; Kampuchea's rice crop; an assessment of Afghanistan grain.

-- population, resources and politics in the Third World; and Lebanon's demographic characteristics.

-- food and water: Ethiopian drought, Jordan's water shortage, Kenya's drought and the food shortage.

-- geography: perspectives on Mexico's strategic southeast, Salvadoran-Honduran border problems; alleged Israeli boundary changes in south Lebanon.

-- transportation, including Cuba's expanding civil aviation web, Soviet merchant fleet liner operations, implications of improving Soviet grain port capacity.

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